

# **ENHANCING MARKETING OF FARIZ HOTEL THROUGH COOPERATING WITH GLOBAL TRAVEL AGENT**

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## **ABSTRACT**

According to Explore Wisata (2017) Malang is a city that has many tourist destinations. Most of them located in area of Batu, there are many interesting tourist destinations. This is balanced by the number of hotels ranging from budget hotels to high star hotels that are spread around Batu. Fariz hotel is one of the hotels that compete in the budget class hotel that is surrounded by Batu area. Although Fariz hotel is a budget hotel, Fariz hotel has the better quality and service compared to the other budget hotels.

Author gives an idea to make Fariz hotel entering international market. The author planned business to business co-operation to bring Fariz hotel to international. By cooperating with foreign travel agents who have package tours to Indonesia, Fariz Hotels can be added in the hotel list for the travel agent. The author chose to cooperate with foreign travel agents because the foreign tourists who will traveling usually entrusted the choice of hotel to travel agents. By entering the list of hotels in Fariz travel agent hotel will be more easily visited by foreign tourists.

After cooperating with foreign travel agent, Fariz hotel will determine the right price for hotel package, hotel package price for foreign guests is certainly more expensive compared to domestic visitors, but with a slightly higher price than domestic price. With this price foreign guests will have a better service that equivalent to international budgeted hotel.

## **1. COMPANY PROFILE**

Fariz Hotel is a great hotel for any tourists because of their services. If you look at the price of the Fariz Hotel you will see that the price is very affordable, but even though it is very affordable, the quality is still very good. You will see at the Fariz hotel that the quality is a lot better than you will find at most other budget hotels in the area. Besides the affordability of the Fariz Hotel it also has a great location. This great location has access to many public facilities like the airport, as well as a highway which connects to Surabaya. If the tourists want a taste of Malang culinary, this hotel is the best choice for them because there is a lot of great street food vendors and restaurants near the location.

### **Fariz Hotel Vision**

Being a cheap syariah transit hotel in Malang that offers comfortability and also gives a positive impression to all customers.

### **Fariz Hotel Mission**

We try to give the best services and hospitality so that we can give people the best experience. We also do all of this at an affordable price.

### **Current Situation**

Fariz Hotel has been visited by many foreign visitors. However, they have run into some difficulties because not all the waiters and staff can speak international languages, one of those languages being English. Another difficulty is that the hotel has only two floors which hold only 36 rooms. The Fariz Hotel is strong enough for a segmented company or an institution, however it is not strong when it comes to individuals or couples. We want to help Fariz Hotel a developing business achieve many things. It may be challenging but this is our goal.

### **The Company Profile Information**

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## 2. COMPANY READINESS

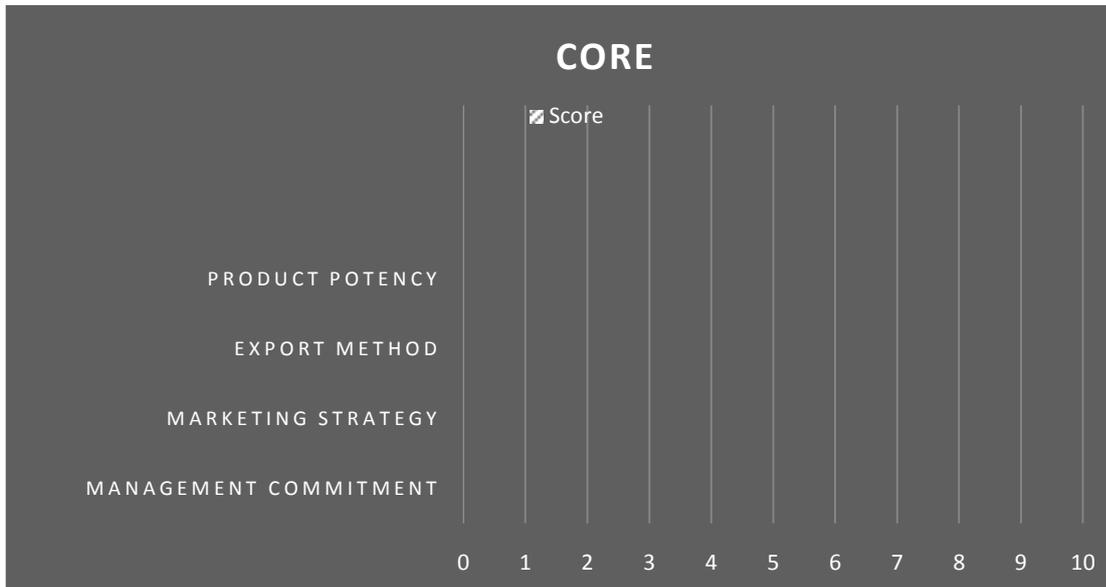


Figure 1.1 CORE Diagram analysis of Fariz Hotel

### CORE Analysis

If we average the overall score we can see (look at diagram 1.1) that the score average is above 50%. The highest score comes from management commitment that has a score of 9, because the management of Fariz Hotel is very open and enthusiastic about making the hotel better for tourists. For product potency, we gave a 6.5 because they only have 36 rooms. This might cause problems because that's not that many rooms for a hotel. For the furniture, decoration, room comfort and buffet they are already standardized. For their export method, we gave them a score of 4.5, this is because they are a new hotel and are still really focused on locals. However, the hotel is still very open to having foreigners come stay there. For marketing strategy, we gave them a 5 because they are still very focused on agencies and companies.

## 3. RECOMMENDED SERVICE IDEA

To develop business, Fariz Hotel needs to know how to introduce the hotel to potential customers and then make them buy our product/service. There are so many ways to market the company, depend on what company is it and what they sell.

Company in general wants their company to be known by so many people as possible, so company can reach and sell their product or service to many customers. To achieve that, they need to internationalize its company. For service company, reach international marketing need far different way than how goods company do it. Especially for our client that engaged at hotel and hospitality service industry, they can't send their product directly to customer like goods company.

## **Our Idea**

So, for Fariz Hotel we have some ideas to marketing it internationally. In simple word, our strategy is to make cooperation with international travel agent. International customer can choose travel package to Malang, Indonesia with Fariz Hotel as their Hotel. Besides to make Fariz Hotel known internationally, we also want to introduce Malang travel destination.

Author also want to suggest Fariz Hotel to make some cooperation with Malang, Kabupaten Malang, and Batu government to make travel package that include its best travel spot as the destination.

## **Reason**

Author choose to suggest Fariz Hotel to make cooperation with international agent because would be ineffective and inefficient if Hotel Fariz was promoted individually as a brand. The first reason is because not all people will visit Indonesia especially Malang. And then not all people will easily remember hotel name if someday they come to Indonesia. Also, it will cost a lot to do branding and the results will not be worth the cost that incurred. By cooperating with international travel agent, Fariz Hotel will definitely have potential customer. With Indonesia travel package that include Fariz as one of the hotel choices, customer can possibly be Fariz Hotel without much branding cost.

## **4. COUNTRY SELECTION**

Author already have some countries as a segment to cooperating with International travel agent. The list of country is the country whose inhabitants often visit and be vacationed in Indonesia. The average visitor comes from Asia, especially from Eastern Asia and Southeast Asia.

In a segment, author choose to make cooperation with international travel agent from the most Indonesia visitors country. The reason we choose travel agent from most Indonesia visitors country are because the people of the country are the certainly potential visitor of Indonesia. With that large number of Indonesia visitors from that country, the travel agent most likely will want to cooperate with Fariz Hotel.

Besides relying on the most Indonesia visitor country, we also targeting the travel agent from neighboring countries in Southeast Asia. But if we look at the list, there are some southeast country which is included in the list, Indonesia Ministry of Tourism said that 40% Indonesia visitors are came from Southeast Asia. But there some of our neighboring countries such as Thailand, Myanmar, Philippines, Vietnam, Cambodia and Brunei Darussalam are not included in top of the list, but for us that country state is potential, because some people from that country do not know Indonesian tourist destinations, so some people will be interested to travel to Indonesia. Also, AFTA (ASEAN Free Trade Area) can facilitate the people of ASEAN countries in traveling more easily.

We already targeting some International Travel Agent company. All the travel agents that are on the list we created have travel packages to Indonesia.

No	International Travel Agent	Country
1	Yatra.com	India
2	Backyard Travel	Thailand
3	Khiri.com	Thailand
4	Settour.com.tw	China
5	Relianctravel.net.my	Malaysia
6	Tripzilla.sg	Singapore
7	Packages.asiatravel.com	Philippines
8	Travelmall.ph	Philippines
9	Ctrip.com	China
10	Expedia.com.au	Australia
11	Wotif.com	Australia

**Table 1.1** List of travel agent travel agents that have travel packages to Indonesia

To contact and negotiate all these travel agent, Fariz Hotel also need to be cooperate with Malang City government to make Malang travel package. For Backyard Travel, they already have Indonesia travel consultant, so we can contact the Indonesia travel consultant to propose Malang travel package.

## 5. MARKETING STRATEGY

To do the idea, we need to know who is our customer, what they need, and what they seen about Fariz Hotel. The method to know about it is Segment, Targeting, and Positioning.

### Segment

Age : 17 – 65

Gender : All gender

Income : Low - middle income

Because this hotel price is affordable, so the potential customer to visit this hotel is people with low to middle income. For now, the average visitor of Fariz Hotel is the company or some agency that visit Malang or Batu. And for individual visitor, the average is low budget traveler. Author cannot estimate precisely how much the income because there is different perspective about income for each country.

## Geography

For international segment, we choose Singapore, China, Malaysia, Australia, Japan, South Korea and India. Data from BPS (Indonesia Central Bureau of Statistics) have shown us that people from these countries were the most Indonesia visitor. So, based on data, people from these countries are Fariz Hotel potential customer.

Country	2015	2016
China	1,249,091	1,556,771
Malaysia	1,431,728	1,541,197
Singapore	1,594,102	1,515,701
Australia	1,090,025	1,302,292
Japan	528,606	545,392
India	306,960	422,045
South Korea	375,586	386,789

**Table 1.2** Countries are Fariz Hotel potential customer

But, not just the country that most Indonesia visitor. They also have the opportunity to get visitors from neighboring countries in Southeast Asia.

## Targeting

Low cost traveler, company and institution, travel agent.

Not all traveler has a big budget for the trip, so this hotel specialized for traveler with low to medium budget who want to spent long trip in Indonesia, especially in Malang. This Hotel also target a company or institution which want to go for trip in Malang, so all the participants can stay at this hotel.

For Travel Agent, Author choose International travel agent from Singapore, China, Malaysia, Australia, Japan, South Korea, and India.

## Positioning

When Author compare this hotel with other low budget hotel and the hotel with same class with Fariz Hotel, we found that Fariz Hotel has a better room quality than most other hotel with same cost. So, positioning for this hotel is affordable price yet comfortable, modern room design and good services.

## Pricing

The first step that author should do in pricing strategy is compare the prices of Fariz hotels with another hotel (budget hotels) that located in other countries. In this pricing strategy author will compare the prices of the countries that we have been chosen before. After a comparison and consideration, our group determined:

Standard Room Type \$ 40 / night

Superior Room Type \$ 50 / night

Executive Type Room \$ 60 / night

Besides giving the price for stay overnight, Fariz hotel also give special package price for foreign guest which will stay longer in Fariz hotel, here is the package:

standard rooms	Superior type rooms	executive type rooms
1 week \$200 (saving \$80)	1 week \$ 300 (saving \$ 50)	1 week \$ 400 (saving \$ 20)
2 weeks \$ 400 (saving \$ 160)	2 weeks \$ 600 (saving \$ 100)	2 weeks \$ 800 (saving\$ 40)
3 weeks \$ 600 (saving \$ 240)	3 weeks \$ 900 (saving \$ 250)	3 weeks \$ 1,200 (saving \$ 60)
1 month \$ 800 (saving \$ 400)	1 month \$ 1200 (saving \$300)	1 month 1,600 (saving \$ 800)

**Table 1.3** Special package price for foreign guest

With the prices that already listed above, of course the service will be deferent between international guest than domestic. International prices is more expensive than domestic prices, it's because international guest will have a good service, to make the international guest feel more comfortable.

### **Distribution Channel**

Aaccording to Investopedia (2017) A distribution channel is a chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. It can include wholesalers, retailers, distributors and even the internet itself. Channels are broken into direct and indirect forms, with a "direct" channel allowing the consumer to buy the good from the manufacturer, and an "indirect" channel allowing the consumer to buy the good from a wholesaler or retailer. Distribution channel that is suitable to use for it is to do business cooperation with travel agents who have been targeted. Fariz hotel cooperates with the Government of Malang to make travel packages with Fariz Hotel as one hotel in a choice hotel travel packages. the consumer does not have to directly order a hotel directly but through a travel agent through his holiday package.

### **Promotion**

According to Kotler et al (2010) The promotions mix (the marketing communications mix) is the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships. Elements of the promotion mix can be personal selling, sales promotion, public relations, direct mail, trade fairs and exhibitions, advertising, sponsorship, and online promotion. Promotions have several goals such as increasing sales or increasing brand awareness. A good promotion can make potential customers feel the need for a product or service that the company is promoting or focus to make sure existing customer made another purchases for our product or service. Therefore, a promotion must have a clear goal then determine target customers and how best to reach that. For Fariz Hotel, the goals are to most suitable promotion type is trade fairs and exhibitions and online promotion. Trade fairs and exhibitions can be done by conducting an unfortunate tourist fair, which means having to cooperate with the government.

## **6. EXPORT PROCESS**

For Export / Internationalization Process, at the first step Fariz hotel must be ready to visit by international guests. Although the services and facilities of Fariz hotel is better than another budgeted hotel, Fariz hotel need to improve the standard of services and facilities (include the servant must have English skills). author must ensure that the hotel Fariz must have been entirely ready to receive international guests.

Because the idea of the author is business to business, that Fariz hotel will cooperate with international travel agent. Fariz Hotel have to contact the travel agent that have been chosen to be a partner in this project. Fariz hotel will make direct communication with foreign travel agent and discuss about cooperation planning. Then travel agent will add Fariz hotel in the list of tour packages that will be offered to potential tourists.

If there are tourists who will visit the hotel Fariz, foreign travel agent will contact Fariz hotel, and Fariz hotel will prepare everything to make foreign tourist feel comfortable when stay in hotel.

In order to make cooperation between Hotel and travel agent is running smoothly, the author recommends that to make the agreement legally so that there is no party which is aggrieved. In addition to making cooperation, Travel agents and hotels should synchronize how to process orders, check in process and unify the process so that consumers stay booked and stayed doing check-in at the hotel. For cooperation with the Government of Malang, the authors suggest to also collaborates with the many tourist spot to provide proposals to the Governments of Malang and then make the program and tour package to Malang Raya.

## **7. EXPORT RISK**

The biggest risk of the idea that author made is communication, because hotel fariz will work with a foreign travel that we haven't known the characteristics before. The limitation of communication due to being in a different country is also one of the risks that faced by Fariz hotel. Miss communication often occurs when Fariz hotel only use online communication, it will be trouble if not quickly explained.

Comfort factors also have risks. Because the standard hotel they have is different from standard in Indonesian. Fariz hotel is still relatively new to receive guests from overseas, so have to make adjustments and preparations in order to get a good response from foreign guests and they will stay again in the future.

### **The Risk of Being Rejected By Travel Agent**

If the travel agent has different goals with the goals of the Hotel, there is the possibility of a travel agent to refuse cooperation Fariz Hotel offer.

### **The Risk of Being Reject by Government**

If Fariz Hotel cannot give offers that are of interest to the Government, most likely deals will be rejected by the Government.

## **8. RECOMMENDATION**

Beside doing online communication, meeting indirectly should be held to reduce miss communication.

Before communicating with foreign travel agent we must do analysts with the travel agent, in order to know its characteristics, it will make it easier to negotiate and cooperate in the future.

For hotel services, Fariz hotels should always be updated about the current hotel trend, so the guests will be comfortable and feel satisfied when stay in the hotel. Guest's satisfaction will impact the hotel in the future.

## **9. CONCLUSION**

In the project of Enhancing Marketing of Fariz Hotel trough Cooperating with Global Travel Agent, author give Fariz Hotel some idea to marketing it internationally. In simple word, the strategy is to make cooperation with international travel agent. International customer can choose travel package to Malang, Indonesia with Fariz Hotel as their Hotel. Besides to make Fariz Hotel known internationally, we also want to introduce Malang travel destination. Author also want to suggest Fariz Hotel to make some cooperation with Malang, Kabupaten Malang, and Batu government to make travel package that include its best travel spot as the destination.

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This project also has risks, The biggest risk of the idea that author made is communication, because hotel fariz will work with a foreign travel that we haven't known the characteristics before. Comfort factors also have risks. Because the standard hotel they have is different from standard in Indonesian. If the travel agent has different goals with the goals of the Hotel, there is the possibility of a travel agent to refuse cooperation Fariz Hotel offer. If Fariz Hotel cannot give offers that are of interest to the Government, most likely deals will be rejected by the Government.

Author suggests some recommendation for minimize the risks. Beside doing online communication, meeting indirectly should be held to reduce miss communication and Fariz hotels should always be updated about the current hotel trend, so the guests will be comfortable and feel satisfied when stay in the hotel.

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